

The federal Department of Housing and Urban Development (HUD) oversees several housing subsidy programs. Under these programs, tenants with limited income receive a subsidy to help them pay a portion of their rent. Typically, the HUD subsidy will pay up to 70 percent of the rent with the tenant or tenant family responsible for the remaining 30 percent.

When a tenant has an increase in their monthly income, including increases from earned income or wages, their tenant share of rent goes up. Generally, the tenant share of rent would go up by about \$1 for every \$3 additional income.

But: HUD's "Earned Income Disregard" allows some tenants with disabilities to work without an immediate increase in rent.

Indiana Works
Benefits Planning
Assistance and
Outreach

How it Helps You:

HUD has an Earned Income Disregard that applies to people in certain types of housing. This disregard allows you to go to work, and your earnings will not be counted in calculating your rent for the first year in which you are employed. In the second year of your employment, only half of your earnings will be counted in figuring your rental payments.

How it Works:

The Earned Income Disregard Applies to Four Types of Housing Subsidies :

- The Section 8 Housing Choice Voucher Program (but not project-based Section 8)
- The Supportive Housing Program
- The Home Investment Partnerships Program
- The Housing Opportunities to Persons with AIDS Program

For the purpose of this work incentive, you must not have been working during the previous 12 months, or averaging less than 10 hours of work per week at the minimum wage.

If you live in one of these types of housing, and become employed, and have been previously unemployed for one or more years prior to getting your new job, HUD will disregard 100% of your new wages during the first 12 months of your employment. During the Second 12 Months of employment, (i.e., months 13 through 24), HUD will disregard 50% of your wages.

These special rules have only been in effect since April 2001. For that reason, some of the agencies that are responsible for calculating rents under programs like the Section 8 Housing Choice Voucher Program are not familiar with these new rules. An Indiana Works Benefits Counselor can help you determine if the HUD Earned Income Disregard applies to you.

Phone:

1 (800) 825-4733 for Southern Indiana
1 (866) 646-8161 for Northern Indiana